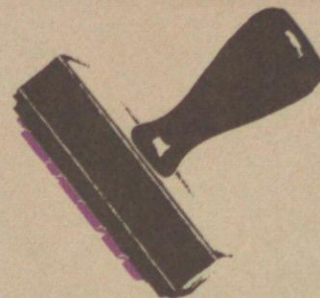




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METRO TORONTO UNDER REVIEW: WHAT ARE THE ISSUES?

This Comment in Brief

The purpose of this *Comment* is to clarify what the issues are in the Review currently being undertaken by the Robarts Commission. Underlying the specific questions of structure and organization are more far-reaching questions about the role our municipal government should play.

The report begins with a brief analysis of the major factors shaping the current metropolitan context. These include: the impact of urbanization on the traditional local governmental role; the anti-growth mentality; the demand for more citizen participation; and urban-suburban tensions.

It then proceeds to identify and explain three key issues:

- (1) municipal autonomy
- (2) integration vs. decentralization
- (3) local dispersion of authority

The *Comment* concludes by suggesting how we might begin to approach the general problem.

INTRODUCTION

Since the Corporation of Metropolitan Toronto was formed in 1954, there have been two Royal Commissions ^{1.} to examine and make recommendations concerning the structure and operation of this first attempt at regional government in the Province of Ontario.

A third Royal Commission on local government in Metropolitan Toronto, established in September 1974, has completed its staffing and initial organization and is now moving into second gear. The Commissioner, former Ontario Premier John Robarts, has made a series of public addresses outlining the problems he intends to focus on, the public hearings set for June of this year are being publicized, background papers designed to stimulate public interest are in preparation and submissions from individuals and organizations are being invited.

The reaction to this activity has been mixed. Several public officials with whom we spoke are extremely nonchalant about the study and are treating it as a "big yawn". In their view, there are almost no issues left to be decided, beyond perhaps whether fire protection and public health services should be amalgamated. They do not foresee any recommendations proposing significant changes in the system. Further, they are concerned that Mr. Robarts could be reporting to a government that did not create the Commission, if the present Conservative government is not returned to power in the soon to be called provincial election. Other concerned citizens are frankly skeptical that the Commission, given Mr. Robarts past statements and actions concerning Metro ^{2.} will be able to approach the issues openly and objectively. They suspect that the results of the review have "already been written" to the extent that significant innovations on the key issues are precluded; and they are concerned that the timing of the Review may prevent public discussion of the alternatives as a provincial election issue.

At the same time, the Review presents a valuable opportunity to evaluate Metro in the light of our changing urban environment and to increase public awareness of the relationship between the political structure and system and the potential for citizens to influence decisions. The interest being shown following the first mailing by the Commission is very positive and indicates that the number of briefs and submissions will far exceed the response to the Goldenberg Commission of 1963-65.

Why is the review being undertaken now?

The stated explanation is that the Province is proceeding in answer to Metro Chairman Paul Godfrey's request made in 1973 for a comprehensive study of the entire Metro system.^{3.} There also was a recognition by the Province that

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1. The first formal review was the Commission of Inquiry, 1957-58, chaired by Mr. Lorne R. Cumming, Chairman of the Ontario Municipal Board; the second was the Goldenberg Royal Commission, 1963-65.
 2. Skeptics point to Robarts' role in the 1967 reorganization, his connection with big business and provincial Tory leaders and past statements criticizing citizen activists.
 3. Ratified on October 30, 1973 by Metro Council.

there were a number of issues that needed to be resolved; certain changes had been made, notably in the distribution of planning powers and in the system of political representation, on an ad hoc basis. But a continuation of this patch-work approach was not deemed appropriate in view of the other issues that seemed to require attention, such as the revenue structure of Metro, the call for direct election of Metro councillors and the Chairman, the matter of internal and external boundaries and the role of special boards and commissions (e.g. the TTC, planning boards, etc.). The timing seemed right - Metro had passed its twentieth birthday and was entering its third decade of existence: it was ten years since the last major examination. The problems of 1975 seemed significantly different from those of 1965 and new social needs were expanding the traditional housekeeping role of local government. Further, a review was actually overdue for at the time of the 1967 reorganization, the Premier of Ontario, John Robarts, had promised a review to assess the changes after three years (as had been the case in 1957, three years after Metro was created).

The Commissioner has publicly committed himself to the full contemplation of all options. The public is being assured that nothing will be taken for granted and all possible "solutions" - amalgamation, metropolitan federation, further decentralization, special districts, etc. - will be considered.

The Focus of this Comment

The purpose of this *Comment* is to show that the matters to be dealt with by the Robarts Commission are of deeper significance than the media, for example, have portrayed them. It is not simply choices between amalgamation or decentralization, between direct or indirect election, etc., that are at issue. Underlying the specific questions of structure and organization are more far-reaching questions about the role that our municipal government should play. Before institutional changes are proposed and debated, we believe that a "consciousness-raising" is needed so that public discussion will reflect a more genuine understanding of what's at stake. A greater awareness is needed as to:

- * how the municipal role is evolving as a result of increased urbanization, new social needs and now political values,
- * how new attitudes to urban growth and increased aspirations for citizen participation are affecting the climate of opinion,
- * the significance of the city/borough conflict,
- * how various changes in the form of Metro's government will promote or undermine the principles and capabilities which a municipal system of government should possess.

THE CONTEMPORARY CONTEXT

Before addressing questions about the form of government which would be best for Metro Toronto, it is necessary to understand the major factors shaping the current metropolitan context.

First and foremost, there is the extraordinary growth and development that has characterized Toronto since World War II. A great deal has been written about the impact that this kind of urban growth and change is having on local government generally.¹ As metropolitan society becomes more complex, urban governments are required to look beyond their traditional service functions to a more political role.

For one thing, new social needs and demands for human services (as opposed to "hard" services for property) together with rising citizen expectations are requiring an extended range of government action. We can see this expansion in the local government role very clearly in the present activities of Toronto's area municipal and Metro councils: on the Metro level, the striking increase in social service programs and expenditures such as nursery and day care centre programs is one obvious illustration; in the City, the new approach to urban planning which emphasizes "neighbourhood planning" via decentralized "site offices" also manifests local government's broader orientation.

For another, decisions which were once thought of as simply technical or administrative matters are now understood to be political in their repercussions, requiring the reconciliation of community conflicts. Thus, matters such as road widenings and rezonings are now viewed as "political" issues needing "political" solutions.

Moreover, as municipal government has become more "politicized", many people are coming to feel that its essential purpose is changing and broadening. In addition to providing local services and regulating land use, local government in certain metropolitan settings, including Toronto, is coming to be perceived as an "instrument of advocacy", with various citizen groups turning to their local council as an agent to advance certain social and political causes.² It is evident that any consideration of reforming Metro's structure must first come to grips with this evolution in the purpose of municipal government.

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1. For example, see Frank Smallwood, Government Administration and the Political Process, paper done for the Centennial Study and Training Programme on Metropolitan Problems, Bureau of Municipal Research, January, 1967, and Thomas J. Plunkett, The Financial Structure and the Decision-Making Process of Canadian Municipal Government (Ottawa: Central Mortgage and Housing, 1972)
 2. This is apparent both in citizen expectations of Toronto City Council and the role that the City is indeed determining for itself. For example, the City's efforts in the housing field focusing on the production of income assisted housing represents a significant statement about the social responsibility of local government. Similarly in championing causes like stopping the Pickering Airport, City Council has assumed an "advocacy" role on behalf of Toronto's citizens against Ottawa.

A second fundamental factor is the dramatic shift that has occurred in the climate of opinion towards "urban growth", an attitudinal change which was typified in the "protection of neighbourhoods" and "slow down" slogans of the last two municipal campaigns. As a recent *Toronto Star* poll showed, 80% of Metro residents appear to feel that Toronto should restrict its growth. Whether this outcry against growth is realistic or not, it has become one of the most sensitive political issues affecting all levels of government in Canada and a prominent attitude in Metro.

This anti-growth mentality which began to crystallize in the late 1960's is connected to a third essential element - the demand for more citizen participation in local decision-making. Citizen aspirations for political participation will presumably affect both the process of the Robarts inquiry itself ¹. and the conclusions about the kind of governmental structure Metro needs. The widespread acknowledgement from most quarters - the public, the media, local and provincial public officials - that meaningful citizen participation is desirable for good government ². provides the present Robarts Review with significantly different dimensions than the two previous inquiries.

A fourth critical factor underlying the current issues is the so-called urban-suburban conflict. This tension between the City and the boroughs, which surfaced so vigorously during the Spadina Expressway debate, has become a major dynamic of Metro politics since the reorganization of political representation on Metro Council and Executive this January, 1975.³ The importance of this conflict for the Robarts Review is that it reflects an essential disparity of problems and priorities between the central City and the suburbs. In a recently published history of the Metro experiment Professor Albert Rose explains how the needs of the City of Toronto, notably needs associated with redevelopment and urban renewal, are being neglected by the suburban-dominated Metropolitan Council. Whereas, during the first decade or so of Metro's existence the City's resources were used to help build up the underdeveloped suburbs,⁴ the situation has now reversed itself to the extent that the City of Toronto has become a "have-not" municipality.⁵

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1. For example, ten years ago, when Commissioner Carl Goldenberg undertook his inquiry, one set of public hearings which elicited approximately 75 submissions was accepted as sufficient public input. The present Commission plans at least two sets of hearings and appears to be devoting considerable energy to encouraging public discussion of the issues with a view to improved public input.
 2. In our recent study of citizen participation in Metro Toronto the results of surveys and interviews confirmed that the political climate in Metro is favourable to the encouragement of the spirit of participation within the so-called "consultative-partnership" models. Bureau of Municipal Research, Citizen Participation in Metro Toronto: Climate for Cooperation? Civic Affairs (January 1975)
 3. Recent examples include the combining of suburban voting power to keep City representatives out of the Chairmanship of any of the Metro standing committees as well as off the Toronto Transit Commission. Also, Metro Council's decision to pave the "Spadina ditch" (February 11, 1975) despite the City's opposition.
 4. In fact, one of the chief reasons for the creation of Metro in 1953 was the need to finance the construction of Metro-wide capital projects, notably roads, water and sewage systems. With most of the tax assessment concentrated in the City, it was the City of Toronto that financed the bulk of the heavy expenditures for projects undertaken in the suburbs.
 5. Albert Rose, Governing Metropolitan Toronto: A Social and Political Analysis, 1953-1971 (Berkeley: University of California Press, 1972)

In our view, this City-borough conflict and the concomitant vulnerability of the City within the existing two-tier scheme is a primary force shaping the current political context.

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THREE KEY ISSUES

A variety of issues that require investigation have already been identified and publicized in the press and by Commissioner Robarts. For example:

- the relationship between the area municipalities and Metro
- the system of political representation
- the role and selection of the Metro Chairman
- the roles and responsibilities of special boards and commissions
- the financing of local government
- the boundaries of the area municipalities and the boundaries of Metro
- municipal-provincial and inter-regional relationships

These issues cannot be regarded as separate matters and any reform of the present system will be made within a comprehensive framework. Therefore, before looking for answers to organizational and structural problems it is essential to understand the overall political issues.

The specific concerns, such as those listed above, can be grouped under three main themes:

1. Municipal autonomy
2. Integration vs. decentralization
3. Local dispersion of authority - special purpose bodies

1. Municipal Autonomy

A primary issue is the power and independence of local government. Political philosophers and scientists, past and present, have told us that local government is indispensable to the health of a democracy - indispensable to the encouragement of participation and the preservation of individual liberty. But

this importance of local government assumes that it has power and independence. Without sufficient autonomy and discretionary power, local government, with all of the oft-cited democratic values claimed on its behalf, is diminished.

Public
Finance

Nowhere is the issue of municipal autonomy better illustrated than in the area of municipal financing. The real property tax system which continues to be the primary source of municipal tax revenue (just as it was back in the days of Confederation) is unsatisfactory¹. on several accounts:

- (a) It is regressive in that it does not tax people proportionate to their ability to pay but hits the lower income earner harder than the wealthy.
- (b) It is not flexible. Because the province determines the assessment value of property the local government's only control over its tax base is the ability to lower or raise the mill rate.²
- (c) It does not bring in enough revenue. At present, Metro's annual spending is exceeded in Canada only by the federal government and three provincial governments (Ontario, Quebec and British Columbia). As inflation continues and new programs are demanded, operating expenditures can only rise. Presently, both Metro and the local municipalities depend heavily on additional revenue from the senior levels of government.³ A substantial percentage of these funds are in the form of conditional grants from Queen's Park which by definition compromise the local priority-setting process. The province can and does interfere with local decision-making by the use of funding "carrots".⁴ With the province having indicated that it might not be able to give additional funds - conditional or unconditional - the local fiscal situation is becoming more precarious. Tax rate increases at both the Metro and local levels have been predicted just to maintain the existing level of service. The Metro Chairman has warned repeatedly that with rising costs and an insufficient revenue base Metro is approaching "a financial crisis" unless municipal councils are given a fair share of income tax revenues.
- (d) The property tax has an undesirable impact on the planning process. Ideally, planning decisions should reflect all of the various social and economic factors that contribute to healthy community life. However, the property tax based on assessment interferes with this by putting pressure on decision-makers to override normal planning considerations and "over-develop" their municipality, for example, in order to develop the tax base and increase assessment.

1. This is not to deny that a case can be made for retaining the property tax, given certain improvements and refinements.
2. Originally assessment was a function of Metro. In 1970 the Province took over responsibility for assessment from Metro and froze all existing assessments until 1978 (to allow time for reassessment). Not only do Metro and the local municipalities lack control over the tax base, they also do not control expenditures; education spending, for example, which is covered out of the property tax, is determined by provincial policy.
3. For example, 45% of the total revenue of the City comes from sources other than property tax.
4. For example, in the health field, the province is using a financial inducement of a 75% provincial subsidy of public health programs to get the local boards of health to amalgamate into one district unit; by not integrating the individual boards receive only a 25% subsidy.

The adequacy of the present revenue system is one of the most consequential issues to be examined if local self-government is to maintain its viability.

Statutory
Power

A second aspect to the general issue of municipal autonomy in policy formulation is that of statutory power. In addition to an adequate financial base, local government must have sufficient power to be able to respond to the new and emerging urban needs. As "creatures" of the province, Metro and the six local municipalities derive all power from provincial statutes and their authority is limited to what is granted in or can be inferred from the municipal acts.

Through a uniquely powerful quasi-judicial agency, the Ontario Municipal Board, the Province maintains a tight control over both municipal financial affairs and development. When placed under the Department of Municipal Affairs in 1935, the OMB was primarily meant to serve as the watchdog of municipal spending. However, because of its responsibility for the approval of all zoning by-laws and plans of subdivisions, the Board has come to possess very strong influence in all aspects of planning.¹ The power of the OMB to overrule decisions of local councils and thereby control municipal development is coming under increasing attack.² Thus in addressing the general issue of local autonomy, the Robarts Review is faced with the controversial question: what is the proper role of the Ontario Municipal Board and should its power over local planning decisions be restricted?

One of the articulated purposes of introducing regional government in Ontario was to permit the strengthening of local government and to facilitate the devolution of power from Queen's Park to local municipalities. In the case of Metro, this "reform" has a double edge. If more power is granted to the regional government at the expense of the local municipalities does it in reality strengthen or weaken local government? A related question that arises is, to what extent should Metro be treated the same as other regional governments?

The issue of special purpose bodies, which is explained below as part of the third main issue, how local authority is allocated, must also be mentioned here. While many special purpose bodies are appointed by a municipal council, there are several which are directly or indirectly responsible to the Provincial government. One of the more important considerations for the future should be a determination of which services do in fact need to be overseen in some way by the Provincial government.

2. Integration vs. Decentralization

Many of the topics under review relate to the general issue of which responsibilities should be assumed by a more central authority and which should be left to local control. Traditionally, of course, the essential purpose of local government was to provide local services. Over a period of time these

1. For the history of the OMB and its present status see Urban Development and the Ontario Municipal Board (Bureau of Municipal Research, Civic Affairs, Winter, 1971).
2. Under Mr. Kennedy's Chairmanship, the OMB had come to be viewed by citizen groups as an "ombudsman-like" agency. Citizens were therefore not overly concerned about the OMB's wide-ranging powers. But more recently, decisions such as the over-turning of the City of Toronto's 45-foot holding by-law (December, 1974) have raised the question of the right of local municipalities to control their own development.

services came to include water supply, sewage disposal, public health, transportation, education and welfare, police and fire protection, refuse collection and disposal, parks, community and recreational facilities, and notably land use regulation and planning. But as the municipal role evolved and urban areas grew into metropolitan complexes, there became an obvious need for increased efficiency and economy in the provision of services and an improved coordination in areas like social services, emergency services, waste disposal, etc. Above all, a comprehensive approach to physical and social planning was required.

Yet, at the same time, a second fundamental purpose of local government has traditionally been to preserve and strengthen democracy. Local government has often been idealized as the primary "school" for democracy, the government 'closest to the people' where citizens first learn and practice the art of self-government. These virtues of local government are commonly associated with smaller local governmental units which are able to respond more effectively to the needs of individual citizens and communities.

A decentralized system composed of small local units is therefore seen as vital for a high degree of citizen participation and access to government. Decentralization¹ permits the people who are being served to control the delivery of the services; and ideally this independence and control fosters communities thereby helping to reduce alienation and contribute to the citizen's sense of personal significance.

Given these basic objectives, there are certain principles which are widely accepted as indispensable to good local government. These state that local government should be:

- * highly responsive
- * open and accessible
- * efficient and economical
- * understandable to the average citizen

Who would disagree? No one, surely. The problem is that these values can and do conflict.

The question of who should be responsible for planning decisions illustrates this very clearly. For example, at present, zoning powers - over densities, heights and locations of buildings - are the prerogative of the area municipal governments. These zoning powers give local governments an important measure of control over the character and shape of their communities. Yet the responsibility for the overall distribution of population, employment and transportation rests with Metro. And it is obviously necessary that certain planning decisions, particularly with regard to housing and transportation, be carried out on a region-wide basis. Because of this need for coordinated planning, proposals have been

1. The term "decentralization", as used here, is understood to imply devolution of power and not simply a deconcentration from a centralized system.

made for the upward transfer of zoning powers to Metro. The justification given in one instance ¹. was that, in dealing with the public housing need, this transfer would improve the chances of building more public housing. However, in our view, the immediate construction of more public housing, no matter how desirable a social goal, is NOT the issue; what is at stake is the viability of the local governmental unit which would be undermined by such a transfer of power. Any such proposal must be evaluated in terms of the role that local government is meant to play within the present urban context discussed above. Similarly, as the recent Metropolitan Transportation Plan Review Report by Richard Soberman emphasizes, it is critical that transportation planning be implemented on a region-wide basis in accordance with regional planning goals. Yet, politically, the difficulty lies in determining what steps are in the "best public interest".²

Solutions to the specific problems which now face Metro - housing and transportation being the most glaring - should strive to incorporate these different and possibly conflicting priorities. The challenge is to find answers that are conducive to access, participation and community-building and at the same time do not sacrifice efficiency or the welfare of the region as a whole. In fact, instead of assuming that there has to be a "trade-off" between efficiency and responsiveness, it can be argued that these values are complementary.

The essential point is that while the familiar slogans about the need to centralize in order to "rationalize" and "economize" may be appealing because of their simplicity, they may well be wrong. We must question whether centralization and bureaucratization beyond a certain point, given the function and the population to be served, will be unavailing, counterproductive or destructive of the primary purposes and values to be met. We must question what "efficiency" means with regard to delivery of public services, particularly "soft" services, and how you measure efficiency and responsiveness. The task of establishing the criteria and guidelines that Metro's local governmental structure should satisfy is not easy. At this early stage we are simply urging that local governmental services and functions be evaluated in light of the specific objectives the service is supposed to achieve ³. as well as the overall purpose which we want our local government to serve.

3. Local Dispersion of Authority: Special Purpose Bodies

A potentially less volatile issue relates to the role that special purpose boards and commissions should play in governing Metro and its constituent municipalities. Presently there are roughly 90 separate special purpose bodies

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1. Toronto Star, "Reforming Metro Government" (June 27, 1974).
 2. Striking examples of conflicting priorities can be drawn from the events of the past few years: e.g. the controversy over the widening of Dundas Street, seen as expedient by Metro Council, but destructive according to the affected Chinese community; the Spadina and Scarborough Expressways, viewed as part of a "balanced transit system" by Metro public officials but disruptive and unwanted by the neighbourhoods along their route.
 3. I.e. instead of debating the theoretical advantages of centralization and decentralization of services such as public health or fire delivery, values of "efficiency" and "effectiveness" must be spelled out in concrete objectives (e.g. one specific objective in fire protection could be to reduce response time to a maximum of 3 minutes). Then, the extent to which the objectives are being met under the current system must be assessed and the evidence weighed as to how the objective might be better achieved under different organizational set-ups.

performing important public services at both the regional and local level.¹

The idea of independent boards and commissions developed out of the municipal reform movement of the late 19th and early 20th century. Special body units staffed by "experts" were expected to both be more efficient and less prone to political corruption.

The current mood, however, appears to favour the return of decision-making directly under the municipal council. Without reviewing the pros and cons here, the present system raises important questions of accountability, control, responsiveness and responsibility.²

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CONCLUSION

In solving any problem, the solution arrived at will depend on the questions asked. In defining criteria and tests for Metro's governmental structure, the first question to be answered is:

What is the appropriate purpose and role of local government in a large urban municipality?

We conclude by suggesting two sets of objectives:

(1) to deliver the essential "hard" (i.e. for property) and "soft" (i.e. human) public services, including land use regulation and planning functions, necessary for the orderly and beneficial development and/or maintenance of communities.

(2) to provide for local democracy so as to permit meaningful "public participation" in decision-making on those issues and in regard to those public services which significantly affect the citizen's daily life.

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1. A study entitled "The 101 Governments of Metro Toronto" by the Bureau of Municipal Research (October 1968) identified 94 units of local government other than the seven municipalities.
 2. For example, the Metropolitan Toronto Police Commission with a majority of non-elected members will spend in excess of \$100 million in 1975. Review by the primary funding authority, Metro Toronto, is cursory at best. Any revisions which might be made by Metro in the spending of the Police Commission could be easily overturned in an appeal to the Province thus totally negating the responsibility of the Metro Government on police matters.